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ABSTRACT

This report synthesizes the year 2 findings of a 3-year qualitative study of autonomy, accountability, finance, and supports in New York City charter schools. In 2000-2001, the study sample included 10 schools (8 charter and 2 alternative schools considering charter status). Section 1 reviews the literature on supports provided to traditional public schools, analyzes the school district's role, reviews the literature on intermediary organizations, and examines studies on the relationship between charter schools and the private nonprofit and for-profit organizations partnering with them. Section 2 describes the research methodology. Section 3 maps the sources of support being built and used by charter schools in New York City and notes implications of these new support arrangements. Overall, the 10 study schools used a range of voluntary overlapping supports that added to the material and human resources available from their public funding. Policy recommendations include increasing funding for charter schools to the level received by other public schools, encouraging charter schools to draw on traditional public schools' and districts' services and expertise, and helping charter school educators and representatives from the private sector to work out issues of governance and authority. (Contains 16 references.) (SM)

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GOING CHARTER

New Models of Support

CHARTER SCHOOL RESEARCH PROJECT
Carol Ascher, Project Director
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Tammi Troy, and Nathalis Wamba

INSTITUTE FOR EDUCATION AND SOCIAL POLICY
Steinhardt School of Education, New York University

DECEMBER, 2001

YEAR TWO
FINDINGS FROM
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EXECUTIVE SUMMARY

In December 1998, New York State passed charter legislation allowing up to one hundred new charter schools and an unlimited number of public schools to convert to charter status. As of spring 2001, a total of twenty-three charter schools were operating in New York State. Of the fourteen charter schools operating in New York City, six are conversion charter schools and eight are new start-up charter schools.

Charter schools are public schools that operate without district regulations, supervision or supports. Yet charter schools in New York City generally do not try to go it alone. Twelve of the fourteen operating charter schools have nonprofit institutional partners and/or friend organizations, including community colleges, foundations, and for-profit management companies. Moreover, charter schools are reaching out to other schools, districts and traditional education agencies; seeking support from their charter school authorizers; and joining charter school associations that provide networking, information, and political advocacy.

Charter schools in New York City generally do not try to go it alone. Twelve of the fourteen operating charter schools have nonprofit institutional partners and/or friend organizations, including community colleges, foundations, and for-profit management companies.

This report synthesizes the year-two findings of ***Going Charter***, a three-year qualitative study of autonomy, accountability, finance and supports in charter schools in New York City. In 2000-2001, our study sample included ten schools. Eight were charter schools and two were alternative schools considering charter status. This report has also been enriched by preliminary research conducted for a new study, ***Public-Private Partnerships***, which explores the relationship between charter schools and the nonprofit and for-profit institutions that partner with them.

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Research Findings

In 2000-2001, the ten schools in our sample used a range of voluntary overlapping supports that added to the material and human resources available from their public funding. In this report, we map the sources of these supports. In addition to using their own school staffs and families in creative ways, charter schools in New York City received a range of instructional, operational, and financial supports from public and private sources:

- ***Other schools, districts, and traditional educational agencies, that provided workshops, resources and educational services;***
- ***Charter school associations, that offered information, networking, technical assistance and political advocacy;***
- ***Charter school authorizers, that provided legal information and technical assistance on accountability and operations;***
- ***Nonprofit friends, that offered fund development and political cover, while remaining external to the school's decision-making processes, and;***
- ***Nonprofit institutional partners, that provided services and supports for both instruction and operations, and became entwined in school-level decisions.***

In New York City, just as in other urban areas across the nation, for-profit educational management organizations (EMOs) are contracting with charter schools to provide part or all of their instruction and operations services. However, since our 2000-2001 sample did not include charter schools linked to for-profit institutions, we have left EMOs out of our discussion.

Friends and institutional partners provided critical material support to charter schools, from facilities and funding for the leasing and renovation of space, to assisting with staffing and instructional resources, and making up in other ways for the deficits left by inadequate public funding.

In 2000-2001, administrators and teachers across both conversion and start-up charter schools assisted each other with a range of advice and resources. Administrators in conversion charter schools also relied on previous relationships with their former school districts, as well as with the Board of Education and the teachers union to secure the assistance they needed.

Charter schools in New York City were also members of one or more local, state, and regional charter school association. These associations provided networking, technical assistance and political advocacy. In 2000-2001, these organizations worked for a change in the law, making charter schools their own local educational agencies.

Charter authorizers were also important sources of support for New York City's charter schools. These authorizers offered assistance with applications and accountability plans, as well as with aspects of school operations.

Friends and institutional partners provided critical material support to charter schools, from facilities and funding for the leasing and renovation of space, to assisting with staffing and instructional resources, and making up in other ways for the deficits left by inadequate public funding. Institutional partners also provided political advocacy to schools through their contacts with governmental officials, charter school authorizers, charter school organizations and wealthy individuals. Finally, institutional partners played important roles within the schools, from back office services such as payroll and reporting, to professional development and other assistance to principals and teachers.

Because institutional partners made considerable fiscal and emotional investments in charter schools, they also played important roles in decision-making within the schools. While charter schools are the legal responsibility of their boards of trustees, institutional partners influenced operational and instructional policies through their membership on these boards, as well as through the provision of technical assistance, advice, and supervision inside the schools. Though the relationship between schools and their institutional partners and boards of trustees evolved and were clarified in 2000-2001, the lines of authority between the schools and the institutional partners were sometimes blurred, and a lack of certainty about where decisions were made left some teachers feeling distant from decision-making.

POLICY RECOMMENDATIONS

The need for private funding has prompted most charter schools in New York to establish close relationships to nonprofit institutions or for-profit management companies. These relationships are complicating governance in charter schools and changing the dynamics between charter schools and their families and communities.

- ***Charter school educators and representatives from the private sector need help in working out issues of governance and authority. Chartering authorities and charter school associations may be able to provide some of this assistance.***

- ***The complicated relationships between charter schools and their institutional partners makes it important that schools have a planning year prior to the charter school's opening–a practice that is currently being encouraged by two of the state's charter authorizers. This planning year should be devoted to working out both programmatic and governance issues.***

The autonomy of charter status has allowed some New York City charter school to relate to other schools and their geographic districts in creative ways.

- ***Charter schools are public schools. Traditional public schools and districts should encourage charter schools to draw on their services and expertise. Interaction with charter schools will also benefit traditional public schools and districts.***

In New York State, the charter movement has suffered from both discounted funding and inadequate public money for facilities. This combination has been an obstacle to teachers, families and communities that might otherwise want to start charter schools, and has been a factor in the decrease in applications to the charter school authorizers.

- ***Funding for charter schools should be increased to the level received by other public schools.***
- ***Sufficient grants for capital funding, as well as special low-interest loans, should be available for charter schools.***

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NEW MODELS OF SUPPORT

Several aspects of New York's charter law have encouraged charter schools to form a range of new support alliances. First, operating outside the supervision and supports of local school districts, charter schools are the ultimate in site-based management. In addition to their autonomy from district oversight, charter schools are granted the freedom to choose the supports they need, from help with professional development to assistance with operations and finance. As of June 2001, charter schools in New York became their own LEAs (Local Educational Agencies)[1]. Thus, charter schools have taken on considerable reporting responsibilities beyond those associated with running a school. To meet their wide range of professional and administrative needs, charter schools are building new support structures in both instructional and operational areas.

To meet their wide range of professional and administrative needs, charter schools are building new support structures in both instructional and operational areas.

Second, New York's charter law prohibits charter schools from "pledging, assigning or spending" their public per pupil funds for the purchase, construction, or improvement of a school facility[2]. Added to the fact that in New York City real estate is scarce, often in disrepair, and extremely expensive, this prohibition has prompted charter schools to partner with organizations that bring fund development skills or are able to provide capital funding directly.

Third, New York's charter schools receive what is generally considered "discounted funding" in relation to other public schools. In New York City, where per pupil funding was $9,739 in 1999-2000,[3] charter schools received $6,207 in the same period. This differential has forced charter schools to focus energies on public and private fund-raising. While some charter schools have been able to designate an individual inside the school to take on this responsibility, most charter schools have sought external support to meet their fiscal needs.

1 In June 2001, charter schools became their own LEAs, except for special education services (identification and evaluation of students, and provision and monitoring of services), which is still under the jurisdiction of the school district in which the charter school is geographically located.

2 State of New York, Article 56, Charter Schools, Section 3853, part 3a & b.

3 Board of Education of the City of New York. (2001, January). School based expenditure reports: fiscal year 1999-2000. New York: Author.

Finally, the deregulation of charter law in New York has created new opportunities for private foundations and for-profit corporations interested in shaping public education. Some of these organizations are new to New York City and the state, and are hoping to fill the niches created by charter reform by selling a range of administrative and pedagogical products and services (Moore, 2000). Other institutions already had partnerships with one or more New York City public schools before the enactment of charter law, and have been eager to pursue their educational visions in a less regulated environment.

To provide context for our second-year report, Section I begins with a brief review of literature on the supports provided to traditional public schools. Because charter status creates schools outside of the traditional public school districts, we begin with an analysis of the role of the school district. Since public and private sources of supports to charter schools might also be viewed as intermediary organizations–that is, organizations that are not formally part of public school districts, but "seek to engage, or are engaged by districts, in efforts at systemic school reform" (Kronley, 2001, p.1)–we then review the literature on intermediary organizations. Our literature review concludes with the few extant studies of the relationships between charter schools and the private nonprofit and for-profit organizations partnering with them.

In Section II we describe the research method from which the data is drawn for this study.

In Section III, we map the sources of support being built and used by charter schools in New York City, and suggest some implications of these new support arrangements.

I. LITERATURE REVIEW

Charter schools in New York State are reinventing district responsibilities in their own context. To better understand these responsibilities it is important to review the traditional roles of school districts. As local education agencies, school districts in the United States have been the legal and fiscal agents that oversee and guide schools. Composed of a local school board, a superintendent, and central office staff, a district acts as "the gatekeeper for federal and state policy by translating, interpreting, supporting or blocking actions on its schools' behalf" (Massell, 2000, p. 6). Districts also hire and fire teachers and principals, build and maintain schools, determine local policies, and, in some states, levy taxes" (Howley, 2000, p. 2). Recently, the standards movement has made districts the source of data collection and analysis of school performance.

Charter schools in New York State are reinventing district responsibilities in their own context.

Because district offices are often bureaucratic and absorb money that many feel would be better spent in classrooms, debate has focused on whether districts play a positive role in school reform. Massell (2000) argues that districts have been the major–and sometimes only–source of capacity building for schools in several key areas. According to Massell, districts can help schools use and interpret data to form the basis of school improvement plans, offer professional support, which they may contract out or provide themselves, and assist in improving curriculum and instruction through "a patchwork of loose and tight central control." Districts can also maintain strict oversight over, and target resources and attention to, poorly performing students and schools.

On the other side of the debate, Chubb and Moe (1990) view districts as attempting to resolve public conflicts with bureaucratic solutions that meet no one's needs, and have called for market-driven schools, like charter schools, that are tailored to consumers' choices. Other policy analysts–not only those in favor of market-driven solutions–have argued that teaching and learning are

more effective when decisions are made at the school level, and so have advocated downsizing districts and allowing more school autonomy. The Cross City Campaign for Urban School Reform recommends, "a fundamental revision of urban public school systems, one that shifts all funds and most authority to the schools and dismantles centralized bureaucratic structures" (Hallett, 1995). Site-based management teams, school councils, and parent advisory boards are all advocated as ways to shift decision-making processes from centralized administration offices in large urban districts to schools and their communities (Clinchy, 2000).

Despite some decentralization, the onset of state standards and the growth of standardized testing have given districts significant authority. Schools have remained accountable to district mandates and have not been allowed to fully actualize decision-making authority over either instruction or budgets (Hallett, 1995). Indeed, researchers have argued that even in charter schools, innovation has been limited by the standardized testing programs mandated by districts and states (Fusarelli & Crawford, 2001; Izu, 1999).

Because of concerns about district capacity to initiate and sustain school-level change, intermediary organizations have arisen over the past twenty years to encourage and support systemic reform. These intermediary organizations include national and local education reform organizations, community-based organizations, corporate and family foundations, arts organizations, and contractors that provide assistance with curriculum, teacher development and school restructuring (Kronley, 2001; Tager, 1996). Some hybrid intermediary organizations also link grassroots groups to policy and research organizations, or provide the technical assistance or organizational development that grassroots groups need to pressure schools for change (The New World Foundation, 2000).

The deregulation of charter reform has attracted a number of foundations, community-based organizations and other groups that have long supported public education initiatives, and have allied with charter schools to provide a range of supports, often including central school functions. In addition, a variety of new nonprofit and for-profit organizations have emerged to support individual schools with technical assistance, as well as to provide important advocacy.

The literature distinguishes between local intermediary organizations and "imported" organizations (Kronley, 2001), a distinction that is relevant to the

charter school world. Organizations partnering with charter schools range from small community-based organizations or local foundations to national education management companies with standardized operational and instructional procedures. Local intermediary organizations are said to have deep ties to the community and/or targeted constituencies and are more effective at forming trust and have greater legitimacy to their work. However, imported intermediary organizations with nation-wide reputations appear to be better at system-wide impact because they can incorporate a charter school into an existing education model (Kronley, 2001). In New York City, the question of whether the institutions assisting charter schools should be "local" or "imported" is a source of debate, with even the definition of local being the object of controversy.

Support networks are one of the key conditions enabling charter schools to create and sustain effective learning communities.

Whether the supports are local or imported, Wohlstetter and Griffin (1997) argue that support networks are one of the key conditions enabling charter schools to create and sustain effective learning communities. Based on a three-state study, the authors find that successful charter schools use support from external organizations and networks to supplement their public resources. Similarly, Wells and Scott (2001, p. 241) note that, "Charter school founders heavily rely on private sources for survival." Because of the deregulation they offer and their need for efficiency, charter schools have also been called a "natural environment for business support" (National Alliance of Business, 1998).

According to Moore (2000), charter schools in low-income urban neighborhoods typically receive assistance from nonprofit partners. These partner institutions write the charter, secure the building, pay for the remodeling of the facilities, hire the faculty, recruit students, select the members of the governing council, and choose the curriculum. Rockham, Friedman and Ruff (1996) describe common turf issues between charter schools and their nonprofit institutions, and highlight three elements of successful relationships between the two: a capacity by both parties to deliver tangible results; defined roles; and a shared picture of what the partnership can achieve and how to get there.

Since charter school reform is relatively new, the literature on the support organizations these schools are developing is still in its infancy. The following research, which maps the sources of support used by charter schools in New York City, and the implications of these arrangements for the internal life of charter schools, is our attempt to increase the knowledge base.

II. RESEARCH METHOD

Our second-year data is drawn from interviews conducted during monthly visits to a sample of ten New York City schools, an increase of three schools over our first-year sample. The chart below depicts the ten schools, according to their public school status and their alliances.

THE TEN SCHOOLS IN OUR STUDY

School Status	Friend or Partner	Charter School Associations	Other Schools and Districts
Conversion charter high school	Friend institution	Yes	Yes
Conversion charter high school	Friend institution	Yes	Yes
Conversion charter elementary high school	Self supporting	Yes	Yes
New elementary charter school	Friend institution	Yes	No
New elementary charter school	Institutional partner	Yes	No
New elementary charter school	Institutional partner	Yes	No
New elementary charter school	Institutional partner	Yes	No
Elementary middle alternative school (charter status deferred)	Institutional partner	Yes	Yes
Elementary alternative school	Friend institution	No	Yes
New elementary alternative school	Friend institution	No	Minimal

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During each visit, open-ended interviews were conducted with the school administrators, as well as with a rotating group of generally two teachers per visit. (In small schools where there were few teachers, we interviewed one teacher per visit.) We also attended meetings of planning committees and boards of trustees, as well as school related events. To track changes in the relationships between charter schools and their friends and institutional partners, and in their alliances with other groups over time, we conducted fall and spring interviews with representatives of each of the friend and partner organizations, as well as members of charter school authorizers and associations. In addition, we attended the monthly meetings of the Ad Hoc Coalition of Charter Schools, a voluntary group including the institutional partners of charter schools, charter school administrators, authorizers, and others interested in charter school reform.

Because of administrative and financial demands on charter schools in New York City, the prevalence of institutional partners, friends, and other support relationships may be greater in our sample than they would be in a similar group of charter schools outside New York City. Nevertheless, we believe that the structure of the relationships we have discovered have wider implications for charter schools outside our city as well as outside New York State.

III. SOURCES OF CHARTER SCHOOL SUPPORTS

The sources of supports that the New York City schools in our study received in 2000-2001 were evolving and diverse. In contrast to those that districts provide traditional public schools, the ten schools in our sample used a web of voluntary, public and private supports. Although one charter school saw itself as largely self-supporting, others were reliant on the close supports of what we call friends or institutional partners, as well as the more distant support of charter school associations and authorizers. All ten schools used more than one type of support.

In the following sections, we analyze how a few charter schools reorganized their administration and governance for self-support. We then describe five types of external sources of support used by the charter schools in our sample, including:

- ***Other schools, districts, and traditional educational agencies;***
- ***Charter school associations;***
- ***Charter authorizers;***
- ***Friend institutions, and;***
- ***Institutional partners.***

INTERNAL REORGANIZATION FOR SUPPORT BY SCHOOL STAFF AND FAMILIES

The three conversion schools in our sample looked inward for much of their administrative, governance, and instructional support.

In 2000-2001, the three conversion schools in our sample looked inward for much of their administrative, governance, and instructional support. All three had been in existence long before conversion to charter status: they had senior staff, experienced school administrators, strong school cultures, an

established curriculum, and an alternative assessment system that had evolved over several years.

To meet the new requirements of charter status, these school staffs created their own accountability plans and re-designed their curricula and instructional programming, with assistance from their school leadership teams and parent associations. In all three schools, the existing governance groups were involved in the formation of the boards of trustees required of charter schools; all three administrators were voting board of trustee members, and in two of the schools, the faculty were representatives as well.

In one conversion school, in which a number of parents had been extremely active in galvanizing the school community for charter school conversion, the flexibility of charter law allowed the school to modify its organizational structure to capitalize on the internal strengths of the school staff and families. The administrative structure was transformed from the traditional hierarchical public school model of a principal and vice principal to a team of five co-directors, working with a chief learning officer. Three teachers became co-directors, as did two parents who had been involved in the charter application process. Proudly self-reliant, this school's staff was adamant about the school sustaining its independence until a support offer was made that matched the school's needs.

EXTERNAL SOURCES OF SUPPORT

A. Relationships with Other Schools and Districts

Five schools in our study–two conversion charter schools, two new charter schools, and an alternative school in the process of converting to charter status–built relationships with other charter schools to share a range of services and personnel in 2000-2001. The two conversion charter schools were neighbors, with similar education philosophies and a history of supportive relationships with each other. The administrators of these schools worked together to solve the evolving operational challenges of charter status, from setting up new admissions systems to working through problems of extricating their payroll and budget from the Board of Education. When it became apparent that upon conversion to charter status, they would need accountants and legal advice, the schools saved money by sharing the services of both.

In two new charter schools and the converting alternative school, private institutional partners had sponsored the schools and were deeply involved in day-to-day operations. One new charter school and converting alternative school shared an institutional partner, as well as a number of resources. In addition, the more senior administrator coached the other in developing relationships with parents, teachers, and students, and offered advice on obtaining Title I funds and preparing for state monitoring visits.

Senior administrators in the three conversion charter schools all had reputations for successful negotiations with New York City schools' bureaucracy. Periodically they offered the benefits of their experience to administrators in the new start-up charter schools. One conversion school administrator expressed the importance of this insider knowledge. "Frankly, I don't see how a new school can do it without a support system [that offers the benefits of experience]. Most people who start charter schools are well-meaning people, but they go through unnecessary difficulties, because they don't know what it takes to run a school." Administrators in alternative schools who were considering going charter also sought out these senior administrators in the conversion charter schools. Before getting their feet wet, the alternative school administrators wanted to hear about life as a charter school and about the benefits and hazards of leaving the traditional public school system.

Administrators in all three conversion charter schools also relied on previous relationships with their local school districts, the teacher's union and the Board of Education. In 1999-2000, these longstanding relationships were critical to facilitating the complicated process of extricating the schools' operations from the Board of Education. During 2000-2001, the administrators of one conversion school attended professional development workshops and meetings on instructional programs held by the school's former district administration. This school also maintained its past relationship with staff in the district office. These connections had clear benefits: while a new alternative school in our sample waited almost the entire school year to have a student identified for special education services, the conversion school that maintained connections with its former district Committee on Special Education had its students evaluated within a few months. When two of the conversion charter schools decided to return to the Board of Education, they activated long-held relationships at both the union and the Board to make the transition possible.

"Frankly, I don't see how a new school can do it without a support system [that offers the benefits of experience]. Most people who start charter schools are well-meaning people, but they go through unnecessary difficulties, because they don't know what it takes to run a school."

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NYCSA regularly briefed charter schools on legal and regulatory requirements, provided summaries of pending legislation affecting charter schools in New York State, advocated for modifications in charter law, and lobbied government officials on behalf of its members.

B. Relationships with Charter School Associations

The New York City charter schools in our sample, along with their friends and institutional partners, were generally members of one or more local, state and regional charter school associations. Although New York State has several associations and coalitions, we highlight three because of the political advocacy and operational and instructional information they provided to charter school applicants and the charter schools in our sample.

In April 2000, charter school advocates from state governments in Massachusetts and New York, with funds from the private sector, initiated the New York Charter School Association (NYCSA). NYCSA is a voluntary membership organization that provides services to currently operating charter schools. As of summer 2001, all twenty-three charter schools in the state were members, paying dues of $5 dollars per student, $10 for each student over an enrollment of 250. As a state-wide advocacy and assistance organization, NYCSA regularly briefed charter schools on legal and regulatory requirements, provided summaries of pending legislation affecting charter schools in New York State, advocated for modifications in charter law, and lobbied government officials on behalf of its members. Working closely with the New York Charter School Resource Center, in 2000-2001, NYCSA also contracted with experts for technical reviews of school accountability plans, and provided sample instructional materials to help schools prepare for state standardized exams.

Although the Ad Hoc Coalition of Charter Schools was developed to serve the interests of everyone involved in charter schools, the main participants in the Coalition, as well as its steering committee, were representatives of institutional partners.

The Ad Hoc Coalition of Charter Schools was established in February 2000 by the Center for Educational Innovation, along with its recent partner, the Public Education Association. Over the past year and-a-half, the Ad Hoc Coalition of Charter Schools (the Coalition) met monthly to address such city and state charter school concerns as funding, facilities, staffing, charter legislation and regulations. Although the Coalition was developed to serve the interests of everyone involved in charter schools, the main participants in the Coalition, as well as its steering committee, were representatives of institutional partners.

In spring 2001, after funds for after-school programs designated for public schools were not allocated to charter schools, the Coalition began acting as a watchdog to ensure that all legislation adopted for public schools also contained provisions specifically referring to charter schools as public schools. When New York City Mayor Guiliani initiated a $10 million Charter School Improvement Fund, the Coalition along with New Visions for Public Schools, assisted New York City charter schools in applying for the money. As a result of these efforts, $3.42 million in grants was dispersed to fourteen charter schools in May 2001.[4]

[4] New York Post, May 1, 2001

The Campaign for LEA Status. Perhaps the most public victory of the Coalition and NYCSA was their successful lobbying in fall 2000 for Local Educational Agency (LEA) status for all New York State charter schools. The Coalition's steering committee believed that charter schools would gain autonomy and benefit financially from becoming their own LEAs. Since New York State's charter legislation did not define whether charter schools are their own local educational agencies, charter schools in New York City had received federal funds through the districts in which they were geographically located, as if they were traditional public schools. Because of the high incidence of poverty in New York City, the eligibility threshold for receiving Title I funds is set at 68 percent of the student population requiring free and reduced lunch. However, as their own LEAs, charter schools would no longer be under New York City's policy, and would qualify for Title I funds at the much lower federal poverty threshold.

In January 2001, the NYCSA petitioned government officials for LEA status and launched an education campaign to clarify issues regarding LEA status. In the spring, the Coalition wrote letters to the governor's education representative, the New York State Board of Regents, and the State Education Department in favor of charter schools becoming their own LEAs.

Although the governor favored LEA status for charter schools, the State Education Department (SED) had several concerns. First, the SED had equity concerns: granting charter schools LEA status might well mean that, in New York City, a charter school that received Title I funding might not have as high a poverty level as a neighboring public school that did not receive Title I funding. Second, since funding was already distributed for 2000-2001, if schools were retroactively made their own LEAs, the money would have to be taken away from other schools. (In the end, LEA status was granted prospectively for 2001-2002.) Third, SED officials were concerned about charter schools' ability to comply with the statutory, regulatory, financial and performance reports required of LEAs. The SED argued that schools without institutional partners would be particularly overwhelmed. Finally, the addition of approximately two dozen new LEAs in the state, which could not simply be folded into the existing procedures for districts, would significantly increase the SED's own work, at a time when the SED was already under strain from the administration of charter school reform.

SED officials were concerned about charter schools' ability to comply with the statutory, regulatory, financial and performance reports required of LEAs.

In response to requests from the Coalition and other charter school advocates, in early spring 2001, the SED held two informational forums on the responsibilities of an LEA. Once it was clear that charter school representatives understood the implications of being their own LEAs and were

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overwhelmingly in favor of the change in status, the Deputy Commissioner, on behalf of the State Commissioner of Education, made the decision in May 2001 for these schools to become their own LEAs.

The shared success of these charter school associations at obtaining LEA status for all New York State charter schools is an indication of the political power of these new advocacy groups. In a state of over seven hundred districts with oversight over four thousand public schools, the fact that twenty-three charter schools and their allies were able to push their own agendas suggests the power of a small but unified force.

C. Relationships with Charter School Authorizers

Several charter school administrators and their institutional partners perceived the Charter School Institute, the Board of Education, and the State Education Department (the administrative arms of the three authorizers) as important sources of support in 2000-2001. Since the Board of Regents did not open any charter schools in New York City last year, the State Education Department acted in its role of state educational agency, rather than as an authorizer, to provide workshops on LEA status and special education reporting to all charter schools in our sample.

The Charter School Institute (CSI) helped the schools it authorized to revise their applications and develop their accountability plans, as well as to locate public funding streams. Believing that its role was to offer supports as well as accountability to charter schools, the CSI provided technical assistance on charter school operations and the submission of annual reports, as well as advice prior to its monitoring visits. School administrators and their partners in CSI-authorized schools also indicated that they contacted the authorizer directly to ask questions on a regular basis. "The CSI works very collaboratively," said the staff member of an institutional partner. "The report mechanism they use is not punitive."

Beginning in spring 2001, the Board of Education's Office of Charter Schools hosted breakfast meetings aimed largely at charter school principals. These breakfasts offered technical assistance on developing charter applications and creating boards of trustees, as well as general troubleshooting for operating schools. Questions on finance, special education, governance, and accountability were also addressed. The Board of Education also coordinated workshops for new charter applicants and charter school board members in conjunction with the Consortium for Worker Education.

D. Relationships with Friend Institutions

Five schools in our study created relationships with nonprofit organizations, which we describe as "friend institutions." The defining characteristic of relationships with friends was the school administrators' continued decision-making authority over central school functions, at the same time as the friend provided political cover, private funds, fundraising support, technical assistance, and professional development for the school staff.

In an alternative school in our sample, the friend institution was a community-based organization (CBO) that had worked with parents to create the school. Since the CBO had a full-time grant writer, it coordinated fund development for the school. It was also a strong advocate for the school as it sought a new school facility.

The friend institution of two conversion charter high schools was the community college that provided physical space for both schools and made college courses available to their students. When the schools sought relief from mandatory graduation testing, they began to work toward a hybrid high school-community college program, with the support of the community college.

Finally, the founder of a charter elementary school created a non-profit friend institution for fiduciary purposes only. In addition to taking over fund-raising, the friend provided a separate bank account, ensuring that, whatever happened to the school, the private assets would not be threatened.

School administrators who developed relationships with friend institutions received guidance and support on instruction, operations, and business matters. One administrator spoke about the subtle support of the school's friend institution.

> The emotional support is important to me…they offer professional development on a bunch of different topics, but the personal connection and emotional support are critical. They told me where to go and connected me to a social worker. Some of the money must be used for textbooks, but most of it is discretionary. The money is very helpful, especially since it can be used flexibly.

In a few schools, financial assistance from friend institutions alleviated some of the tension between teachers and school administrators over scarce resources. In one school, funds given by the friend institution allowed teachers to design and furnish their own classrooms. As work conditions improved, teachers stayed additional hours, kept their classroom walls and bulletin boards updated with student work, and developed learning activities for their students.

For charter schools, securing adequate space, acquiring collateral, obtaining start-up funds, and gaining community support for the school have been overwhelming problems.

Schools' relationships with friend institutions were often invisible to parents and community members, even though the financial assistance from the friend contributed to making the school an attractive option. According to staff, parents selected their school because it was safe, had small class sizes and enthusiastic teachers–much of this made possible by the support of the friend.

E. Relationships with Institutional Partners

Four of the ten schools in our study sample had nonprofit institutional partners in 2000-2001. In two start-up charter schools, the institutional partners were the lead charter applicants; in a third, the institutional partner was brought in by a group of parents and then performed the grueling administrative work of completing the application. In an alternative school converting to charter status, the institutional partner had built the school as a public-private partnership with the Board of Education; when charter law was passed, the partner initiated the conversion process and took charge of the application. Because these institutional partners were instrumental to the schools' inception, helped find and prepare facilities, provided a variety of other material resources, and took charge of back office functions, from preparing the school budget to filling out reporting forms, they also played strong roles in the schools' governance.

Facilities. Public schools in New York City have been so overcrowded and in such disrepair over the last years that the Comptroller's most recent estimated capital funding budget was $10.3 billion for rehabilitation and modernization (City of New York, Office of the Comptroller, 1998). Nor have nonschool facilities been easy to find or renovate. For charter schools, securing adequate space, acquiring collateral, obtaining start-up funds, and gaining community support for the school have been overwhelming problems. In 2000-2001, one small charter school in our sample, having lost its lease, spent much of the year in three separate facilities several blocks apart. Space difficulties have been so serious that New York's three charter school authorizers are now requiring proof of an existing and approvable facility before authorizing future schools.

The charter schools in our small sample found homes in churches, an armory, an office building, and a former corporate headquarter. Partner organizations played a pivotal role in securing these facilities through private connections, fund raising campaigns, as well as financial and administrative support for leasing and renovation. One institutional partner had renovated a former corporate headquarter at its own expense when the school opened as a private partnership with the Board of Education in the early 1990s. In 2000-2001, the elementary school was ready to expand to the middle grades, and the

institutional partner designed a new facility to be built with private funds in a neighboring lot. When zoning problems hindered the building of the facility, the institutional partner successfully used its political influence to get the Board of Education to allocate and renovate space on an unused floor of a nearby school.

In another charter school, the institutional partner owned an educational center outside the city, which provided the school with a second campus and expanded faculty. This additional resource was incorporated into the charter school's instructional program, and science and social studies projects were integrated at the two sites. Faculty, students and their families used the country campus throughout the year for overnight stays, educational and social events.

Services. Institutional partners assisted charter schools with applications, audits, record-keeping, and reporting to both their authorizers and the State Education Department. In addition, the institutional partners took on many of the managerial and business tasks seldom asked of traditional schools. "We're the schools' infrastructure," said a member of an institutional partner. Another representative of an institutional partner spoke of the need for "systems," which an institutional partner is able to provide. "New schools have to create policies, procedures, risk management strategies, human resources, payroll, and so forth." The institutional partners often provided all these functions. This representative recalled meeting the principal of a charter school without a partner. "He was doing payroll on the train ride up to Albany. He is a remarkable guy, and was way overtaxed."

The legal relationship between charter authorizers and the schools is with the boards of trustees, and authorizers must inform the boards and the charter school administrator about reporting requirements and annual school visits. However, the institutional partners often provided the administrative and political assistance to complete these tasks on the school's behalf. For example, when a charter authorizer and the State Education Department requested budgets, records of special education, Title 1 services, student immunization and attendance, it was the institutional partners, in conjunction with the school administrators, who prepared these reports. Moreover, the institutional partners attended monitoring visits along with their school administrators.

The institutional partners took on many of the managerial and business tasks seldom asked of traditional schools. "We're the schools' infrastructure."

Three partner organizations in our sample supported more than one school, and their charter schools shared personnel such as a business manager, curriculum/staff developer, special education specialist and social worker. The services the schools received varied, in part based on the school staff's perceived needs and in part based on the institutional partner's sense of

efficient management. For example, a new administrator who had both significant populations of special needs students and inexperienced teachers requested a full-time special education teacher. Although the board of trustees immediately approved the position, an extensive search did not yield anyone. Consequently, the institutional partner, concerned with efficiency of resources and meeting the children's' needs, offered to share one of its staff members, a special education coordinator, on a part-time basis between its two sponsored schools until a suitable educator was hired.

In another school, in which the institutional partner was integral to the development of the school's mission and educational philosophy, the curricula specialist, operations manager, and education director all worked directly for the institutional partner. In this school, personnel from the partner organization observed classes and assisted teachers with their lesson plans, removing the school administrator from much of the daily supervision of teaching and instruction.

Since institutional partners provided instructional and operational supports, as well as the first line of accountability, administrators at times likened them to districts. Yet those administrators who had worked with public school districts appreciated the smaller size, greater efficiency and more personal manner of their institutional partner. Said one, "You could never talk over your problems with a superintendent like I talk with [the institutional partner]." This administrator was pleased when the institutional partner decided to delay sponsoring another charter school. "I am spoiled; I like being an only child." Another administrator commented that sharing resources with the institutional partner's other school had not created difficulties thus far; however, if the school should lose resources (in personnel or services) as a result of sharing, then the school would complain loudly to the institutional partner.

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Institutional partners with more than one school were also aware of the comparison between their contributions and those of a district. One argued that the schools allied with the partner organization had much greater voice in budgeting than did schools inside a district. "The administrators can say, our teachers will volunteer to sweep. We don't need a custodian." Another member of an institutional partner compared the uniform offerings and geographic confines of a district to the "virtual district" the institutional partner could initiate through different relationships to schools in different places. This individual gave as examples an institutional partner creating a school, allowing a school with a similar mission to join the cluster of schools in different neighborhoods working with the institutional partner, or contracting with a school to provide discrete services.

Money. While the boards of trustees had legal responsibility for fiscal oversight, institutional partners in all four schools coordinated fund development activities and were deeply involved in financial decision-making. Two directors of partner organizations explained that often it was easier to raise private funds for the school than for their non-profit organizations. Therefore, the institutional partners tried to raised "fungible" funds to be used on multiple projects, or money for the schools directly. Both private and public monies were placed in a separate bank account for the school, directly managed by the institutional partner.

"If I were to take only the money from the state I would be in a basement somewhere; there would be no fax, no copier, and no experienced faculty."

Representatives of the institutional partners in our sample also reported spending significantly more on their schools than they received from public per pupil funding. Although some institutional partners charged for services such as fund development, accounting and instructional support, school administrators and teachers spoke of the things they would not have had without their institutional partner. One school administrator said,

> If I were to take only the money from the state I would be in a basement somewhere; there would be no fax, no copier, and no experienced faculty; and fewer kids because of the cost to rent the space for a school. When you think about the operations budget-heat, plumbing, and fire alarm system–where would I get the money for that?

While administrators were grateful to their partner organizations, they were generally unclear about, and inattentive to, the cost of incoming resources. Those administrators who had been trained to handle administrative tasks within the public school system thought of personnel in terms of full-time equivalents. When asked about the actual cost of staff, they frequently referred us to their institutional partners or the business managers who were paid by their institutional partners. Teachers who received annual allocations from the institutional partner were clear about the amount, and compared it favorably to what they would have received in a public school.

Having expended time and money on the schools, the institutional partners had strong attachments and often assumed supervisory roles to protect their efforts. "If I make an investment, I have a say," said a representative of one institutional partner. As individuals from corporate backgrounds and foundation settings, institutional partners were conscious of the fiscal implications of school decisions. One noted that school administrators often make instructional decisions based on pedagogical and staffing without considering the effects on the budget.

> Principals think about hiring a special education teacher in terms of meeting children's needs, coordinating scheduling, and whether full-time or part-time assistance is required. In contrast, the board and we are primarily concerned about money–where the funds will come from to support another salary and benefits.

Impact of the Institutional Partner on Authority and Control. Institutional partners had some authority over school policy and operations in four of our study charter schools, in part because the institutional partners had started the schools and shaped the boards of trustees. The chair or president of the boards of trustees in three of the four charter schools with institutional partners was a key official in that organization; in the fourth school, the institutional partner approved the chair. In all four schools, institutional partners' representatives or appointees compromised at least thirty percent of the boards of trustees. Moreover, since the institutional partner filled additional slots with acquaintances or professional colleagues with compatible interests, boards tended to support the partner organization's objectives in major school policy decisions.

The chair or president of the boards of trustees in three of the four charter schools with institutional partners was a key official in that organization.

Charter school administrators and their teachers were hired by their boards. Although no direct comparison can be made with the authority a principal experiences inside a school district, the dual structure of a board of trustees and an institutional partner created both formal and informal limits on the administrators' authority. Of the four charter schools with institutional partners, three administrators were ex officio members of their school's boards of trustees. Furthermore, two institutional partners were clear that executive sessions of their boards would be held in the administrator's absence, and that decisions about budgeting, capital funding, and facilities construction were outside the purview of the school administrator. In a converting charter school, the administrator was a voting member of the board, but the administrator recalled having to argue for the position: "I wasn't going to agree to a school structure where I would not have any input." This administrator anticipated working with both the staff and the institutional partner prior to presenting a school issue to the full board. Comparing this new situation with life as an alternative school, the administrator said, "There will be more folks to negotiate with, so I'm going to have to lobby."

In all four schools with institutional partners, the administrators had never been principals before being hired to lead their schools. Once hired, these administrators relied on the institutional partners for guidance and direction in

all major areas of the schools' programming and operations. In new start-up charter schools, the administrators described feeling "nested" within their partner organizations.

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Though administrators acknowledged supervision by their boards and institutional partners, they also saw the relationship as a two-way street. In one school, a policy statement to the board of trustees noted that "the school administrator will consult with the [institutional partner] with respect to testing, curriculum, professional development, and back office processing. However, the final decision is the school administrator's." Yet the institutional partner had more influence over school policy than the school administrator, who was a non-voting member of the board of trustees.

In another school, in which the institutional partner made decisions about the school calendar, instruction, and staffing, both the partnering organization and the school administrator spoke of the unity between the school and its institutional partner. The administrator described the relationship as "symbiotic."

> Both parts benefit and without each other neither would survive. Just as I try not to see [the institutional partner's second site] as a separate school, I try not to see [the institutional partner] as a separate entity, which sometimes means giving in.

A representative from the partner organization shared this notion of the school and the partner institution acting as a single unit. "We functionally operate as one. [The school administrator's] primary obligations are to the organization as a whole [including the institutional partner and its other projects]."

In another school, the director of the partner organization explained the connection this way; "[The school] is the arm of the [institutional partner]. It is not legally set up that way, but it is for operational purposes." While this subsidiary relationship between the school and its partner organization challenged the school administrator's autonomy, the hierarchical relationship was clear to both parties.

Although institutional partners were there to provide support to the schools, they also functioned as a source of day-to-day oversight. As a staff member of an institutional partner put it, "Yes, we provide supervision to our charter schools, but we do it lovingly. We are committed to our schools."

Most teachers expressed appreciation toward their school's institutional partner.

Teachers' Relationships to Schools. Most teachers expressed appreciation toward their school's institutional partner, and some were less concerned with authority issues than with the help their schools received. Several teachers spoke gratefully of the money the institutional partner provided for the supplemental classroom supplies, the school library the institutional partner had lavishly designed, or the art instructors the school received as a result of the institutional partner's connections to a local university.

Nevertheless, even in new charter schools with institutional partners, teachers were often overwhelmed by the task of developing an instructional program, as well as school policies. "We are being sucked dry, we just keep giving and giving," said a teacher. When the principal spent time responding to operational concerns of the institutional partner, teachers with little classroom experience were often troubled that the school administrator was being distracted from teaching and learning. Looking to the administrator for guidance and support, they complained that the administrator was pulled among the institutional partner, the board of trustees, and families–with staff the last to be considered. In a charter school staffed by predominantly new teachers, one complained that the director was unaware of the teachers' distress, having spent virtually no time in classrooms. "The only time [the director] ever appeared in our classroom to review our lesson plans was when visitors of the foundation appeared unannounced."

For some teachers the institutional partner added an extra layer of bureaucracy, which resulted in an ambiguous reporting structure.

In a school with several children with special needs, the teachers and principals devised a plan to reduce class size across the school by adding a new class. But the board of trustees, which did not include staff, decided against this plan for fiscal reasons. While the teachers believed that, had they been part of the decision, their pedagogical concerns might have outweighed the apparent financial burden of their plan, a staff member of the institutional partner was not swayed by the need to have the teachers in on decisions. "If teachers had concerns, they could put them in writing for the board."

Those teachers who had worked in public schools were often suspicious that decisions affecting their work were being made elsewhere. For some teachers the institutional partner added an extra layer of bureaucracy, which resulted in an ambiguous reporting structure. Said a teacher, "It is unclear who we work for. Do we work for the school or [the institutional partner]?" In one school, teachers' concerns over decisions resulted in a successful petition to the board of trustees to have teacher representation on the board. In another school, after the relationship with the institutional partner became tense, the partner

began to work more collaboratively with greater attention to teachers' needs. A teacher said, "People were fed up with not getting straight answers. It is getting better though...the [institutional partner] is spending more time in the school. We are becoming more of a community rather than us versus them."

Discussion

Public school administrators, education reformers, and community advocates have long argued that districts' relationship with schools needs changing. Large districts overwhelm schools with bureaucratic processes, and district-level decision-making is often autocratic. This is made worse in under-funded urban districts, where scarce financial and human resources are diluted among many schools and command and control is often substituted for genuine attention (Hallett, 1995).

Charter reform has promised to create public schools that operate without district regulations, supervision, or supports. Yet our sample of ten New York City schools suggests that, freed from their geographic districts, charter schools generally do not try to go it alone. In several conversion charter schools, senior staff members were able to assume some of the new tasks necessitated by charter school status, and one conversion school made use of the flexibility of charter status to hire parents to play directing roles. Only one school saw itself as self-reliant and even this school used outside supports. Nevertheless, it still hoped to find an appropriate friend or institutional partner. In the other charter schools, the need for money, facilities and other material supports, political advocacy, and assistance with operations and instruction, were all compelling reasons to create or find outside sources of support. Moreover, a change in the law in spring 2001, making charter schools their own LEAs, added the reporting responsibilities of districts to the burdens of these fledgling schools, increasing their need for outside supports.

Charter reform has promised to create public schools that operate without district regulations, supervision, or supports. Yet our sample of ten New York City schools suggests that, freed from their geographic districts, charter schools generally do not try to go it alone.

Conversion charter schools in New York City reached out for support from each other, and from traditional education agencies, including their previous school districts and the Board of Education (which authorizes all conversion charter schools in the city). These relationships gave the schools access to technical assistance, professional development, and special services for their students. Because the three conversion schools were union schools, they also sought help from the teachers union.

An important victory for NYCSA and the Ad Hoc Coalition of Charter Schools in 2000-2001 was the granting of LEA status to charter schools.

Both conversion and start-up charter schools joined one or more of the charter school associations that are emerging in New York, including the New York Charter School Association (NYCSA) and the Ad Hoc Coalition of Charter Schools. (In those schools with institutional partners, representatives of the partner organizations, rather than school staff, typically attended association meetings.) These associations provided briefings on legal and regulatory requirements, summaries of pending legislation, technical reviews of school accountability plans, and sample instructional materials to help prepare students for state standardized exams. The associations also addressed school concerns with funding and facilities, and lobbied government officials on their members' behalf. An important victory for NYCSA and the Ad Hoc Coalition of Charter Schools in 2000-2001 was the granting of LEA status to charter schools.

New York's three charter school authorizers were also viewed as important sources of support by most charter schools. These authorizers provided critical information on the development of charter school applications and accountability plans, the creation of boards of trustees, and the provision of special education and other services for special needs children.

Several conversion and start-up charter schools also had relationships with "friend" institutions, which provided facilities, funds and fund-raising, advocacy and political cover, technical assistance and professional development. Friend institutions did not become involved in the daily life of the school; a critical aspect of relationships with friends was the school administrators' continued decision-making authority over central school functions.

In addition to this ring of supports, four of the ten schools in our sample had more intense relationships with nonprofit institutional partners in 2000-2001. In fact, for three start-up charter schools and one conversion school, the institutional partners were the imaginative and financial force behind the creation of the schools. The high incidence of charter schools with institutional partners may, in part, be an artifact of the authorization process: understanding the problems of facilities and funding, authorizers are alerted to potential problems on the applications of prospective schools without friends or institutional partners. At the same time, all of the nonprofit organizations partnered with charter schools in our New York City sample had previously been working with public schools, and the advent of charter law had given them an opportunity to develop their own schools in a less regulated education environment.

Having been pivotal to writing the initial charter, finding funding and facilities, institutional partners provided many of the back office supports, including budgeting and reporting, as well as curriculum and professional development functions, once assumed by school districts.

In part because of their deep investment in the charter schools, the lines of authority between the charter schools and their institutional partners were at times blurred. With partnering organizations seeking to ensure the success of their financial and personal investments, administrators with institutional partners had to negotiate between the demands of their institutional partners, their boards of trustees and their staffs. While teachers were grateful for the resources provided by the institutional partners, their educational priorities have at times differed from those of the institutional partners, and the authority relations that determined their work were sometimes unclear to them.

Unless funding for charter schools increases significantly and real estate becomes more available and affordable, both unlikely eventualities in the near future, charter schools in New York City are increasingly likely to need private friends and institutional partners. Although for-profit management companies were not part of this year's sample, an increasing number of the city's charter schools also appear to be partnering with these organizations, largely because they are able to advance money for the huge start-up costs involved.

Unless funding for charter schools increases significantly and real estate becomes more available and affordable, both unlikely eventualities in the near future, charter schools in New York City are increasingly likely to need private nonprofit friends and institutional partners.

The prevalence of these new support arrangements in charter school reform suggests the importance of clarifying issues of authority between the schools and their partner organizations. Already, there are signs that some of the ambiguities in authority between charter school staffs and their institutional partners in 2000-2001 are being resolved. In several schools, a good deal of effort was put into clarifying these relationships during the last academic year, and in one instance teachers were given a vote on the board of trustees in an effort to formalize their policy voice. It also appears that authorizers are moving toward insisting on more formalized relationships between charter schools and their friends and institutional partners.

Policy Recommendations

Often viewed as autonomous islands of educational experimentation and improvement, most charter schools actually reach out for support from both

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public and private sources. Indeed, the range of supports that has developed for use by charter schools is an unexpected innovation of charter reform.

The need for private funding has prompted most charter schools in New York to establish close relationships to nonprofit institutions or for-profit management companies. These relationships are complicating governance in charter schools and changing the dynamics between charter schools and their families and communities.

- ***Charter school educators and representatives from the private sector need help in working out issues of governance and authority. Chartering authorities and charter school associations may be able to provide some of this assistance.***
- ***The complicated relationships between charter schools and their institutional partners makes it important that schools have a planning year prior to the charter school's opening–a practice that is currently being encouraged by two of the state's charter authorizers. This planning year should be devoted to working out both programmatic and governance issues.***

The autonomy of charter status has allowed some New York City charter school to relate to other schools and their geographic districts in creative ways.

- ***Charter schools are public schools. Traditional public schools and districts should encourage charter schools to draw on their services and expertise. Interaction with charter school will also benefit traditional public schools and districts.***

In New York State, the charter movement has suffered from both discounted funding and inadequate public money for facilities. This combination has been an obstacle to teachers, families and communities that might otherwise want to start charter schools, and has been a factor in the decrease in applications to the charter school authorizers.

- ***Funding for charter schools should be increased to the level received by other public schools.***
- ***Sufficient grants for capital funding, as well as special low-interest loans, should be available for charter schools.***

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